

2009 DRAFTING REQUEST

Bill

Received: 01/05/2009

Received By: btradewe

Wanted: As time permits

Identical to LRB:

For: Administration-Budget

By/Representing: Miner

This file may be shown to any legislator: NO

Drafter: btradewe

May Contact:

Addl. Drafters:

Subject: Agriculture - animals

Extra Copies:

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Pre Topic:

DOA:.....Miner, BB0339 -

Topic:

Fee on animal slaughter for meat safety inspections and animal health

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			State
/1	btradewe 01/08/2009	kfollett 01/11/2009	rschluet 01/12/2009	_____	sbasford 01/12/2009		State
/2	btradewe 01/20/2009	kfollett 01/21/2009	rschluet 01/21/2009	_____	sbasford 01/21/2009		

FE Sent For:

<END>

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btradewe

1/1/5

1/1/11

1/29

1/29

<END>

FE Sent For:

2009-11 Budget Bill Statutory Language Drafting Request

- Topic: Animal Health Slaughter Fee
- Tracking Code: BB0339
- SBO team: Agriculture, Environment and Justice
- SBO analyst: Andrew Miner AM 1/05/08
 - Phone: 266-1103
 - Email: andrew.miner@wisconsin.gov
- Agency acronym: DATCP
- Agency number: 115
- Priority (Low, Medium, High): High

Intent: The overall intent of this draft is to create an animal health slaughter fee that will fund both animal health programs at DATCP and meat safety inspections. This should be done in the following steps:

1. Establish a per-animal slaughter fee on animals slaughtered at Wisconsin meat slaughter facilities, as outlined in the attached request. (Also, see attached issue paper dated September 26, 2008 for background information.) However, the fees per animal should be as outlined below:

	<u>SBO Proposal</u>
	<u>Proposed Fee (\$)</u>
Hogs	0.14
Cattle	0.14
Calves	0.1
Broilers	0.01
Turkeys	0.01

These fee amounts should be in statute but DATCP should have authority to change them by rule. Fees should be effective July 1, 2009.

2. Revenues from this fee will be deposited into 2 sources. First, create a new PR annual appropriation in program 1 of DATCP entitled "meat and poultry inspection; program revenue" to receive these payments. This appropriation should be set at \$327,900 in FY10 and \$375,300 in FY11. Also, the rest of the revenues generated from this fee should be deposited into the animal health PR appropriation under 20.115(2)(ha).

Slaughter Fee Drafting Request

DATCP Suggestions for State Budget Office

Bill Walker (corresponding author), Cheryl Daniels, Melissa Mace
January 2, 2008

The following is a suggestion for a slaughter fee draft. We include a bullet point summary and suggested statutory language.

Drafting Narrative

- Slaughter Fee
 - Establish a slaughter fee
 - Grant authority over the fee to the Department of Agriculture, Trade and Consumer Protection.
 - Authorize the department to promulgate rules to administer the fee.
 - Impose the fee on a per-head basis for
 - Cattle (\$0.07/head; i.e., seven cents)
 - Calves (\$0.05; five cents)
 - Hogs (\$0.07; seven cents)
 - Broilers (\$0.005; one-half-of-one-cent)
 - Turkeys (\$0.005; one-half-of-one-cent)
 - Establish fee amounts in statute as above
 - Authorize the department to revise the fee amounts by rule
 - Deposit fees and surcharges in the appropriation under s. 20.115(2)(ha) (Inspection, testing and enforcement)
 - Deposit fines wherever fines usually go
- Facilities Affected
 - Require the fee to be paid by facilities at which the listed animals are slaughtered for commercial sale for human consumption
 - Exempt private noncommercial facilities (e.g., premises of the animal's owner if slaughtered for the household or nonpaying guests)
- Payment and Reporting
 - Require the fee to be paid to the department, on a quarterly basis, by the end of the month following each quarter.
 - Require each facility to submit a report to the department with the total number of animals slaughtered, by type, in the previous quarter.

- Authorize the department to require other information relevant to the fee but prohibit collection of information identifying individual customers.
- Exempt the report from open records laws.
- Penalties and Inspection
 - Authorize the department to impose a fine each month for late reports and payments. Set the fine equal to 1% of the amount due.
 - Authorize the department to withhold licenses related to slaughter activities of any applicant that is late with reports and payments.
 - Require the department to refund fees collected in error.
 - Authorize the department to inspect records pertinent to the fee and reporting requirements. Exempt department notes and other information from such an inspection from open records law.
 - Authorize a fine of \$500 to \$1,000 for any establishment that underreported its slaughter numbers in a given quarter. (In addition to the late payment surcharge.)

Suggested Language

Create s. 95.85 as follows:

95.85 Slaughter Assessment. (1) In this section “establishment” means a plant, including retail premises, where animals or poultry are slaughtered for human consumption. “Establishment” shall not include the premises of a person who is the owner of the animals to be slaughtered or of carcasses to be processed when the resulting product is for exclusive use by the owner, by members of the owner’s household, or by the owner’s nonpaying guests.

(2) ASSESSMENT. Every establishment, as defined in (1), shall pay at the end of each quarter an assessment per head for each animal or poultry slaughtered in its plant during the previous quarter. The per head assessment shall be as follows unless the department establishes by rule a different per head assessment.

- (a) Cattle - \$0.07
- (c) Calves - \$0.05
- (b) Hogs - \$0.07
- (d) Broilers and Turkeys - \$0.005

(3) REPORTS, PAYMENTS. (a) On or before the last day of the month following the end of each quarter, each establishment shall submit a report to the department with payment for the total assessment during the previous quarter. Reports and payments may be submitted electronically or via mail by each date due. Due dates are as follows, unless the department establishes by rule a different schedule for reports and payments:

1. April 30 for January, February and March.
2. July 31 for April, May and June.
3. October 31 for July, August and September.
4. January 31 for October, November and December.

(b) The report must contain the total number of head slaughtered in the previous quarter, but shall not include any identifying information for any individuals who use the establishment for slaughter. An establishment's reports of the total number of animals and poultry slaughtered, for purposes of the assessment, is not subject to an open records request.

(c) An establishment that files a report and payment after the due date is subject to a 1% surcharge per month, in addition to the assessment due.

(4) LICENSE CONTINGENT ON ASSESSMENT. The department may not issue or renew any license, related to the slaughter of animals and poultry, of any establishment unless the applicant pays all assessments and surcharges that are due under sub. (2) and (3). The department shall refund an assessment or surcharge paid under protest if the department determines that the assessment or surcharge was not due as a condition of licensing under this section. If an assessment or surcharge is paid by check, a license issued in reliance upon that check is void if the check is not honored.

(5) RECORDS INSPECTION. (a) *Inspection*. The department may inspect, during regular business hours, any records which pertain to the report given by an establishment to the department. The department's notes and any information gathered which may lead to identifying total number of slaughtered animals and poultry are not subject to an open records request.

(b) *Penalties*. An establishment which is found to have underreported the total number of animals and poultry slaughtered during any quarter may be fined not less than \$500 nor more than \$1000 for each report which is inaccurate. In addition, the establishment shall pay the surcharge in subs. (3) (c) for each month that the unreported volume was unpaid when due.

(6) RULES. The department may promulgate rules to administer this section.

Restoration of Wisconsin's Animal Disease Control Infrastructure

Issue Paper

Department of Agriculture, Trade, and Consumer Protection
September 26, 2008

Proposal

The department proposes to establish a per-animal slaughter fee on cattle, calves, hogs, broilers, and turkeys to repair Wisconsin's animal disease control infrastructure. To perform the work, the department requests expenditure authority of \$230,000 PR in fiscal year 2009-10 and \$310,000 PR in fiscal year 2010-11 and 4.0 FTE PR permanent positions.

Background

Animal Disease Control

The core infrastructure of animal disease control in Wisconsin and the United States generally has deteriorated. Attention, time, and resources have shifted away from diseases that pose the greatest threat to animal agriculture. These diseases include bovine tuberculosis, brucellosis, and foot and mouth disease. Instead, animal health efforts in Wisconsin and the U.S. have focused on emerging diseases and emerging animal industries. These include chronic wasting disease in wild and farm-raised deer herds, the appearance of foreign animal diseases such as monkeypox in the U.S. in 2003, avian influenza, and fish health.

The shift also affects program funding. Currently, the department relies heavily on fish and deer farm licenses. Such farms are few in number and are generally small businesses. As a result, the department's ability to fund increased disease surveillance and control is limited.

The shift of resources away from maintaining core infrastructure was due in part to the successful control of such diseases in Wisconsin and the United States. However, several of the diseases, notably bovine tuberculosis, have reemerged as threats to animal agriculture. Bovine tuberculosis is now present in domestic animals and wild deer populations in states neighboring Wisconsin and in other states in the U.S. Additionally, diseases such as brucellosis and pseudorabies that have been eradicated from most of the domestic herds still exist in wild populations. The appearance of such diseases in Wisconsin would limit animal movement, hurt the agricultural economy generally, and cost industry and state resources.

The core infrastructure of animal health involves four functions: prevention, detection, control, and eradication. Disease prevention is achieved through inter and intra state movement testing requirements, education on appropriate biosecurity, and similar measures. Detection

requires disease monitoring programs, record keeping and testing requirements at markets, and at slaughter to be utilized and enforced. Control and eradication are best achieved through rapid detection and containment, while the disease in question is limited to a small area. The most successful control and eradication efforts therefore depend on extremely rapid detection. Rapid response and control of a disease is dependant on early detection, good records and movement documentation that enables the department to trace an animal's origin as well as identifying other animals that it came in contact with and may have infected along the way.

Eradication is a time consuming, cumbersome, and expensive process requiring extensive testing, depopulations and movement controls.

Prevention is generally the cheapest aspect of disease control; eradication the most expensive. Total disease control costs are lowest and success is greatest when prevention and detection are fully implemented. In particular, once a disease has moved from a single animal to other herds or flocks, it is dramatically more difficult to confine and eradicate the disease.

Modern animal agriculture involves extensive animal movement and commingling of animals. For the most virulent diseases, delay of even a day can mean the difference between rapid eradication and spread of the disease to multiple states.

Because prevention and detection must be widespread to be effective, they are best done by the animal industry itself. Producers, shippers, veterinarians, markets, and slaughter facilities all play a role in preventing disease or detecting it. The animal industry as a whole and the public generally benefit by their efforts. However, as with other public health, safety, and environmental issues, private efforts have proven repeatedly to be inadequate by themselves to effectively control animal diseases.

The state's role in animal disease control is not to routinely perform prevention and detection activities directly, but rather to help private entities to do so and to monitor compliance with animal disease law. State inspectors ensure that the infrastructure of disease control is in place and functioning properly. Inspector's tools include education, audit of testing and movement records, and inspection of facilities. The ability of Wisconsin and other states to perform these tasks have declined. As a result, disease prevention and rapid detection efforts are no longer adequate.

Animal Agriculture and Disease Costs

The animal agriculture industry is valuable to Wisconsin. Live animal exports alone account for over \$8.0 million in revenue. Meat exports account for over \$42 million. Dairy and egg exports account for over \$195 million. All of these commodities have increased in export dramatically, as shown in the table below. The animal industry has made significant investments recently.

	U.S. Dollar		
	2005	2006	2007
All Live Animals	\$3,831,686	\$4,573,889	\$8,024,409
Dairy/Eggs/Etc	\$76,560,732	\$84,730,642	\$195,851,384
Non-prepared Meat product	\$20,263,345	\$27,395,633	\$42,015,402

Disease is expensive to both industry and state government. Bovine tuberculosis is the most immediate threat to Wisconsin's animal industry. For illustration, a state's bovine tuberculosis (TB) status is recorded in five categories from no status to tuberculosis-accredited free. The lowest status that any state has at this time is modified accredited, a majority of the states are tuberculosis accredited free. The cost to industry and the state rises when states loose status.

A single down grade in Wisconsin from accredited free to modified accredited advanced would cost producers an estimated \$1.87 million in annual testing costs alone. Failure to eradicate TB resulting in further downgrade would result in costs to the industry exceeding 30 million dollars. This does not include depopulation and indemnity costs, loss of production during quarantines and cost of restocking.

Michigan has bovine tuberculosis that has been imbedded in the state for the past decade. This disease has so far proved difficult to eradicate because it is also present in the wild deer herd. Studies estimate that tuberculosis in Michigan has cost the industry and the department of agriculture \$277 million over the last 10 years (\$121¹ million in costs to the livestock producers and \$156² in costs to the department of agriculture)

Minnesota detected bovine tuberculosis in multiple cattle herds in 2005, the state status was downgraded from TB accredited to modified accredited advanced. In 2007 Minnesota detected more positive herds and the state status was downgraded further, USDA-APHIS estimates that the annual cost to producers for required testing will be approximately \$29.1 million.

It is essential to prevent the introduction of TB or other diseases into our cattle and farm-raised and wild deer herds. To accomplish this DAH needs to increase it's surveillance at markets, dealers, feedlots, and on imports.

Current Program Funding and Service

The department's animal health program currently receives 48% of its funding from GPR, 13% from fees, and 39% from federal grants and contracts. The mixture of funding has shifted over time, with the contribution of GPR declining and that of federal funding in-

¹ Baiting and feeding of deer in Wisconsin – Update 2008, Keith Warnke, Bureau of Wildlife Management
Chris Jacques, Bureau of Integrated Science Services

² Dr. Steve Halstead, State Veterinarian, Michigan Department of Agriculture.

creasing. In 2001 the department's programs were funded by 85% GPR, 10% from fees and 5% from federal grants.

Funding Source	FY01 Percent of Total Expenditures by Source	FY07 Percent of Total Expenditures by Source
GPR	85%	48%
PR	10%	13%
FED	5%	39%

The department issues about 5,000 licenses and permits annually. The fees for these licenses have been increased twice since 1996. The most recent increase was this year.

Discussion

The department proposes to establish a per-animal slaughter fee on cattle, calves, hogs, broilers, and turkeys to repair Wisconsin's animal disease control infrastructure. To perform the work, the department requests expenditure authority of \$230,000 PR in fiscal year 2009-10 and \$310,000 PR in fiscal year 2010-11 and 4.0 FTE PR permanent positions. The animal health positions would perform four major functions; (1) review and document disease certifications to facilitate animal commerce; (2) enforcement of movement testing and identification requirements; (3) inspection of animal facilities and records; and (4) response to disease emergencies.

Slaughter Fee

The proposed fee would be assessed on cattle, calves, hogs, turkeys, and broilers. Details of slaughter numbers, proposed fees, and estimated revenues are given in the table below.

Table 1. Proposed slaughter fees with estimated slaughter numbers in Wisconsin in 2006. Includes commercial slaughter at both state and federally inspected facilities. Slaughter numbers source: Wisconsin Agricultural Statistics Service and industry estimates.

	Slaughtered (2006)	Proposed Fee (per animal)	Revenue
Hogs	536,600	\$0.07	\$37,562
Cattle	1,582,500	0.07	110,775
			<u>6,345</u>
Calves	126,900	0.05	✓ 154,682
Broilers	38,300,000	\$ 0.005	191,500
Turkeys	6,000,000	\$ 0.005	<u>30,000</u>
			221,500
All Animals			\$376,182

The proposed fees would be paid directly by slaughter facilities. Those facilities would pass on a portion of the fee both to consumers and to animal producers. However, the effect on both groups is likely to be small. In particular, the price of final consumer food is mostly due to packaging, processing, transportation and other factors besides the cost of raw food. An increase of under 10 cents per animal (a fraction of a cent for birds) will have at most a fraction of a cent effect on consumer food prices.

The proposed slaughter fee is similar to funding mechanisms used in other states. For example, Colorado imposes a \$0.38 slaughter fee on livestock. Colorado also licenses slaughter facilities, charging between \$50 and \$100 per year depending on facility size. Utah imposes a variety of brand inspection fees including at slaughter. Several states impose fees related to branding, sale, and removal from feedlots and livestock markets, including per-animal and per-facility fees. These states include Pennsylvania, California, Missouri, Nebraska, Kansas, Oregon, Washington, and most recently Minnesota.

Position and Expenditure Authority

The Division of Animal Health has established program standards regarding frequency of inspections at regulated facilities and number of portable enforcements that should be conducted annually to provide reasonable assurance that Animal Health protocols and rules ensuring adequate surveillance is being conducted to provide for rapid detection and eradication of any significant animal disease in Wisconsin. Utilizing these standards, a minimum of 7.32 FTE field staff would be required to conduct adequate surveillance of animal markets, dealers, truckers, feedlots, animal exhibitions³, and hatcheries as well as follow-up on apparent import violations and participate in portable enforcements⁴. Over the past three years the division has been able to allocate an average of 3.12 FTE field staff to these activities.

The Department is requesting 3.0 FTE permanent field inspector positions and 1.0 FTE field consultant position. These positions will be used for inspections and education at core livestock facilities.

	Salary	Fringe	S&S	Total
Inspector	\$ 34,600.00	\$ 16,300.00	\$ 23,500.00	\$ 74,400.00
Consultant	\$ 40,500.00	\$ 19,100.00	\$ 23,500.00	\$ 83,100.00
	\$ 75,100.00	\$ 35,400.00	\$ 47,000.00	\$ 157,500.00
FTE	Total			
3.00 Insp.	\$223,200.00			
1.00 Cons.	\$ 83,100.00			
	\$306,300.00			

³ Exhibition includes fairs and swap meets.

⁴ A portable enforcement is where vehicles housing regulated species are pulled over to ensure the animals are accompanied by the correct paperwork.

Tradewell, Becky

From: Miner, Andrew - DOA [Andrew.Miner@Wisconsin.gov]
Sent: Monday, January 05, 2009 4:53 PM
To: Tradewell, Becky
Subject: RE: Budget request

Hi Becky,
It's fine to talk to DATCP directly about your questions. Thanks,
Andrew

From: Tradewell, Becky [mailto:Becky.Tradewell@legis.wisconsin.gov]
Sent: Monday, January 05, 2009 4:15 PM
To: Miner, Andrew - DOA
Subject: Budget request

Andrew,

The proposed animal slaughter fees would apply to several kinds of animals. There will be no time for rule making before the fees take effect, so the statutory language needs to stand by itself. To do this, the draft will need to specify the dividing age between cattle and calves. The draft should also clearly describe which chickens are subject to the fee.

Shall I contact DATCP about this or would you prefer to do so?

Thanks,
Becky

01/05/2009

Tradewell, Becky

From: Walker, William D - DATCP [WilliamD.Walker@Wisconsin.gov]
Sent: Thursday, January 08, 2009 12:15 PM
To: Tradewell, Becky
Cc: Miner, Andrew - DOA
Subject: FW: on Slaughter Fee Draft

Becky:

Per your question about the slaughter fee draft:

Below is a detailed answer.

My summary:

1. Precise definitions are less important since the fee is restricted to animals that pass through commercial slaughter facilities.
2. Calf = bovine animal 6 months of age or younger; cattle = bovine animal over 6 months of age
3. Rather than "hog", use the more general term "swine"
4. Rather than "broiler", use the more general term "poultry".

If this does not clarify, let me know and we can discuss further.

- Bill W.

William D. Walker
Budget Director
Office of the Secretary
Wisconsin Department of Agriculture, Trade and Consumer Protection

(608) 224-4353

williamd.walker@Wisconsin.gov

----- Forwarded Message

From: "Mace, Melissa A - DATCP" <Melissa.Mace@Wisconsin.gov>
Date: Thu, 8 Jan 2009 09:22:45 -0600
To: "Walker, William D - DATCP" <WilliamD.Walker@Wisconsin.gov>
Cc: "Ehlenfeldt, Robert G - DATCP" <Robert.Ehlenfeldt@Wisconsin.gov>, "McGraw, Paul J - DATCP" <Paul.McGraw@Wisconsin.gov>
Subject: FW: on Slaughter Fee Draft

Mr. Walker:

Here are the divisions thoughts:

This bill would impact animals going to slaughter for human consumption at a commercial level (meaning the human eating them is not the owner that raised, or caught the animal). That is important to keep in mind as that would define these fairly clearly. All cattle/calves, swine and poultry that are commercially slaughtered for sale to humans as food. There is not need to specify specific breeds, origins, etc.

01/08/2009

Calf: Bovine animals 6 months of age or younger.
Cattle: Bovine animals 6 months of age or older.

Poultry: All poultry. (This is a change, after talking and doing some searches Broilers have a standard meaning as well as many other meanings and we would do better in simply utilizing the broader term poultry.) Again this charge only applies to animals that are commercially slaughtered for retail sale, not the bird that slaughtered at the facility and given back to the owner for their own consumption.)

Melissa

----- End of Forwarded Message

In 1/8

DOA:.....Miner, BB0339 - Fee on animal slaughter for meat safety inspections and animal health

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

DNde

Don't Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

AGRICULTURE

This bill establishes an assessment to be paid to DATCP by persons who operate commercial establishments at which certain kinds of animals are slaughtered. The assessment per animal slaughtered is one cent for poultry, ten cents for calves, and 14 cents for older cattle and for swine. The assessment must be paid quarterly. The revenue from the assessment is appropriated for meat safety inspections and animal health programs.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.115 (1) (gg) of the statutes is created to read:

3 20.115 (1) (gg) *Meat and poultry inspection*. From the moneys received under
4 s. 95.85 (3), the amounts in the schedule to be used for meat and poultry inspection
5 under s. 97.42.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 2. 20.115 (2) (ha) of the statutes is amended to read:

20.115 (2) (ha) *Inspection, testing and enforcement.* All moneys received under ss. 93.06 (1f) and (1g), 95.55, 95.57, 95.60 (5), 95.68, 95.69, 95.71 and 95.715 and all moneys received under s. 95.85 (3) that are not appropriated under sub (1) (gg), to be used for animal health inspection and testing and for enforcement of animal health laws.

History: 1971 c. 125, 215; 1973 c. 90, 299, 333; 1975 c. 39 ss. 78m, 79, 79m, 79n, 732 (1); 1975 c. 224; 1975 c. 394 ss. 1, 27; 1977 c. 29 ss. 112 to 115v, 1650m (1), (4), 1654 (1); 1977 c. 87, 106, 181, 418; 1979 c. 34, 129, 221, 289, 335; 1981 c. 20, 66, 93, 283, 346, 357; 1983 a. 27, 132, 368; 1983 a. 410 ss. 5, 2202 (2); 1985 a. 7, 8, 29, 138, 153, 313; 1987 a. 27, 281, 354; 1987 a. 399 ss. 34 to 38, 38u; 1987 a. 403 s. 256; 1989 a. 31, 219, 227, 282, 284, 335, 336; 1991 a. 39, 269, 309, 315; 1993 a. 16, 166, 243, 437, 456, 497; 1995 a. 27, 42, 79, 460; 1997 a. 27, 192, 252, 264; 1999 a. 5, 9, 55, 185; 2001 a. 16, 38, 56, 103, 109; 2003 a. 33, 38, 133, 326, 327; 2005 a. 25; 2007 a. 20, 125, 223.

SECTION 3. 95.85 of the statutes is created to read:

95.85 Animal slaughter assessment. (1) DEFINITIONS. In this section:

(a) "Calves" means bovine animals that are not more than 6 months of age.

(b) "Cattle" means bovine animals that are more than 6 months of age.

(c) "Establishment" means a plant where cattle, calves, swine, or poultry are slaughtered for commercial sale for human consumption.

(2) ASSESSMENT. For each animal of a kind specified in this subsection that is slaughtered in an establishment, the person operating the establishment shall pay to the department an assessment equal to the following, except as provided under sub. (6):

(a) Fourteen cents for swine.

(a) Fourteen cents for cattle.

(b) Ten cents for calves.

(d) One cent for poultry.

(3) REPORTING AND PAYMENT. (a) A person operating an establishment shall submit to the department the quarterly report described in par. (b) and quarterly

1 payment of the assessment under sub. (2) according to the following schedule, except
2 as provided under sub. (6):

3 1. For January to March, by April 30.

4 2. For April to June, by July 31.

5 3. For July to September, by October 31.

6 4. For October to December, by January 31.

7 (b) A person operating an establishment shall submit a quarterly report that
8 identifies the number of each type of animal described in sub. (2) slaughtered in the
9 establishment in the previous quarter. The department may require additional
10 information relevant to the assessment, but may not require information that would
11 identify the source of the animals. The department shall keep confidential the
12 information submitted under this subsection concerning the number of animals
13 slaughtered in an establishment.

14 (c) A person who submits a quarterly report and payment of the assessment
15 after the due date shall pay the department, in addition to the assessment, a
16 surcharge equal to 1 percent of the assessment due for each month or fraction of a
17 month that the payment is late. A person who submits a quarterly report that
18 understates the number of animals slaughtered in an establishment and submits
19 payment based on the inaccurate report shall pay the department a surcharge equal
20 to 1 percent of the amount of the underpayment for each month or fraction of a month
21 that the payment is late.

22 (4) LICENSE CONTINGENT ON PAYMENT OF ASSESSMENT. The department may not
23 issue or renew a license related to the slaughter of animals for any establishment
24 until the operator of the establishment pays any assessments and surcharges that
25 are due under this section. The department shall refund an assessment or surcharge

1 paid under protest if the department determines that the assessment or surcharge
2 was not due as a condition of licensing under this subsection. If an assessment or
3 surcharge is paid by check, a license issued in reliance upon that check is void if the
4 check is not honored.

5 (5) INSPECTION OF RECORDS. The department may inspect, during regular
6 business hours, any records that relate to this section. The department shall keep
7 confidential any information obtained under this subsection concerning the number
8 of animals slaughtered in an establishment.

9 (6) RULES. The department may promulgate rules for the administration of this
10 section, including rules that modify the amount of the assessment under sub. (2) and
11 rules that modify the schedule for reporting and payment under sub. (3) (a).

12 (7) PENALTY. A person who submits a report under sub. (3) that understates the
13 number of animals slaughtered in an establishment may be required to forfeit not
14 less than \$500 nor more than \$1,000 for each inaccurate report.

15 (END)

DNate

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1324/1dn

RCT...

gf

Date

Andrew Miner:

As drafted, this fee would seem to apply to establishments that are federally licensed, as well as those that are state licensed. Please let me know if that is not the intent.

I made the penalty a forfeiture, which is not a criminal penalty, rather than a fine, which is criminal. Please let me know if this should be changed.

Rebecca C. Tradewell
Managing Attorney
Phone: (608) 266-7290
E-mail: becky.tradewell@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1324/1dn
RCT:kjf:rs

January 12, 2009

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Managing Attorney
Phone: (608) 266-7290
E-mail: becky.tradewell@legis.wisconsin.gov

Tradewell, Becky

From: Walker, William D - DATCP [WilliamD.Walker@Wisconsin.gov]

Sent: Tuesday, January 20, 2009 2:45 PM

To: Tradewell, Becky

Subject: Re: LRB Draft: 09-1324/1 Fee on animal slaughter for meat safety inspections and animal health

Becky,

I understand it wasn't on a whim.

I thought about this more and talked with program people. They have three goals:

1. For this particular fee, DATCP should only collect information relevant to the fee (which answers your question below).
2. Whatever language is drafted to implement #1, that language should not stand in the way of information collection or use authorized under other statutes. In particular, the information they gather under different authority for disease control purposes should not be blocked in any way by #1. (This is what prompted our last comment to you.)
3. Whatever we collect for purposes of the fee should not be subject to open records requests. (Because we expect industry would object to revelation of trade information, including who their customers are.)

My pet theory is that the phrase you used, "...that would identify the source of the animals..." prompted thoughts of disease control in staff's minds whereas the term "customers" did not.

In any case, points 1, 2, and 3 are what we're advising.

Does this clarify?

- Bill

(P.S. This again shows the value of drafters. We think we know what we want, but we're not sure and can't express it until someone makes it concrete and waves it under our noses.)

On 1/20/09 8:52 AM, "Tradewell, Becky" <Becky.Tradewell@legis.wisconsin.gov> wrote:

Bill,

I want to make sure that people understand that I didn't just put that language into the draft on a whim. The memo explaining this request said:

Authorize the department to require other information relevant to the fee but prohibit collection of information identifying individual customers.

Now, should the language authorize DATCP to require additional information without the requirement that the information be relevant to the fee?

Becky

01/20/2009

From: Miner, Andrew - DOA [<mailto:Andrew.Miner@Wisconsin.gov>]
Sent: Monday, January 19, 2009 5:04 PM
To: Tradewell, Becky
Subject: FW: LRB Draft: 09-1324/1 Fee on animal slaughter for meat safety inspections and animal health

Becky,

The last one for today – a change to draft 1324, explained from DATCP below. Let me know if you have concerns with their suggestions.

Andrew

From: Walker, William D - DATCP
Sent: Thursday, January 15, 2009 12:32 PM
To: Miner, Andrew - DOA
Cc: Mace, Melissa A - DATCP; Matson, James K - DATCP
Subject: Re: LRB Draft: 09-1324/1 Fee on animal slaughter for meat safety inspections and animal health

Andrew:

One additional comment on the slaughter fee draft.

In proposed s. 95.85(3)(b), we are concerned about the following sentence:

"The department may require additional information relevant to the assessment, but may not require information that would identify the source of the animals."

We are concerned that the sentence will limit the department's ability to gather and use information needed for tracebacks and other response efforts for food-borne illness or animal disease outbreaks.

Staff suggested the following language.

"Any information collected under this subsection identifying the number of animals slaughtered, sources, or destinations of animals in an establishment is not subject to public inspection under s. 19.35. The department may not disclose information provided under sub. (2) to any other person or agency unless the department believes that the release is necessary to prevent or control disease or to protect public health, safety, or welfare."

- Bill W.

On 1/12/09 3:13 PM, "Miner, Andrew - DOA" <Andrew.Miner@Wisconsin.gov> wrote:

> Bill - here is a draft and note for the animal slaughter fee. Please take a
> look and let me know if you have any questions or concerns. Thanks,
> Andrew

>

>

>

> From: Schlueter, Ron [<mailto:Ron.Schlueter@legis.wisconsin.gov>]

> Sent: Monday, January 12, 2009 11:18 AM

> To: Miner, Andrew - DOA

> Cc: Steinmetz, Jana D - DOA; Hanaman, Cathlene - LEGIS; Beadles, Kathleen - DOA

> Subject: LRB Draft: 09-1324/1 Fee on animal slaughter for meat safety inspections and animal health

- >
- > Following is the PDF version of draft 09-1324/1.
- >

1/19/2009 5:04 pm

Becky,

The last one for today – a change to draft 1324, explained from DATCP below. Let me know if you have concerns with their suggestions.

Thanks for all your help. Have a good evening,
Andrew

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Sent: Thursday, January 15, 2009 12:32 PM

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>



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1324/2

RCT:kjfrs

In

ymy

DOA:.....Miner, BB0339 - Fee on animal slaughter for meat safety inspections and animal health

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

Don & Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

AGRICULTURE

This bill establishes an assessment to be paid to DATCP by persons who operate commercial establishments at which certain kinds of animals are slaughtered. The assessment per animal slaughtered is one cent for poultry, ten cents for calves, and 14 cents for older cattle and for swine. The assessment must be paid quarterly. The revenue from the assessment is appropriated for meat safety inspections and animal health programs.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.115 (1) (gg) of the statutes is created to read:

3 20.115 (1) (gg) *Meat and poultry inspection.* From the moneys received under

4 s. 95.85 (3), the amounts in the schedule to be used for meat and poultry inspection

5 under s. 97.42.

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

1 **SECTION 2.** 20.115 (2) (ha) of the statutes is amended to read:

2 20.115 (2) (ha) *Inspection, testing and enforcement.* All moneys received under
3 ss. 93.06 (1f) and (1g), 95.55, 95.57, 95.60 (5), 95.68, 95.69, 95.71 and 95.715 and all
4 moneys received under s. 95.85 (3) that are not appropriated under sub (1) (gg), to
5 be used for animal health inspection and testing and for enforcement of animal
6 health laws.

7 **SECTION 3.** 95.85 of the statutes is created to read:

8 **95.85 Animal slaughter assessment. (1) DEFINITIONS.** In this section:

9 (a) "Calves" means bovine animals that are not more than 6 months of age.

10 (b) "Cattle" means bovine animals that are more than 6 months of age.

11 (c) "Establishment" means a plant where cattle, calves, swine, or poultry are
12 slaughtered for commercial sale for human consumption.

13 **(2) ASSESSMENT.** For each animal of a kind specified in this subsection that is
14 slaughtered in an establishment, the person operating the establishment shall pay
15 to the department an assessment equal to the following, except as provided under
16 sub. (6):

17 (a) Fourteen cents for swine.

18 (b) Fourteen cents for cattle.

19 (c) Ten cents for calves.

20 (d) One cent for poultry.

21 **(3) REPORTING AND PAYMENT.** (a) A person operating an establishment shall
22 submit to the department the quarterly report described in par. (b) and quarterly

1 payment of the assessment under sub. (2) according to the following schedule, except
2 as provided under sub. (6):

3 1. For January to March, by April 30.

4 2. For April to June, by July 31.

5 3. For July to September, by October 31.

6 4. For October to December, by January 31.

7 (b) A person operating an establishment shall submit a quarterly report that
8 identifies the number of each type of animal described in sub. (2) slaughtered in the
9 establishment in the previous quarter. The department may require additional
10 information relevant to the assessment, but may not require information that would
11 identify the source of the animals. The department shall keep confidential the
12 information submitted under this subsection concerning the number of animals
13 slaughtered in an establishment.

14 (c) A person who submits a quarterly report and payment of the assessment
15 after the due date shall pay the department, in addition to the assessment, a
16 surcharge equal to 1 percent of the assessment due for each month or fraction of a
17 month that the payment is late. A person who submits a quarterly report that
18 understates the number of animals slaughtered in an establishment and submits
19 payment based on the inaccurate report shall pay the department a surcharge equal
20 to 1 percent of the amount of the underpayment for each month or fraction of a month
21 that the payment is late.

22 (4) LICENSE CONTINGENT ON PAYMENT OF ASSESSMENT. The department may not
23 issue or renew a license related to the slaughter of animals for any establishment
24 until the operator of the establishment pays any assessments and surcharges that
25 are due under this section. The department shall refund an assessment or surcharge

1 paid under protest if the department determines that the assessment or surcharge
2 was not due as a condition of licensing under this subsection. If an assessment or
3 surcharge is paid by check, a license issued in reliance upon that check is void if the
4 check is not honored.

5 (5) INSPECTION OF RECORDS. The department may inspect, during regular
6 business hours, any records that relate to this section. The department shall keep
7 confidential any information obtained under this subsection concerning the number
8 of animals slaughtered in an establishment.

9 (6) RULES. The department may promulgate rules for the administration of this
10 section, including rules that modify the amount of the assessment under sub. (2) and
11 rules that modify the schedule for reporting and payment under sub. (3) (a).

12 (7) PENALTY. A person who submits a report under sub. (3) that understates the
13 number of animals slaughtered in an establishment may be required to forfeit not
14 less than \$500 nor more than \$1,000 for each inaccurate report.

15 (END)



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1324/2

RCT:kjfrs

DOA:.....Miner, BB0339 - Fee on animal slaughter for meat safety inspections and animal health

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